

EXHIBIT T

Tesla Inc TSLA (NASDAQ) ★

Last Price	Fair Value	Uncertainty	Economic Moat™	Moat Trend™	Stewardship	Industry Group
341.99 USD	179.00 USD	Very High	None	Positive	Standard	Autos

Musk Tweets Tesla May Go Private at \$420 a Share but Stockholders May Not Have to Sell at That Price

David Whiston, CFA, CPA, CFE
Sector Strategist
david.whiston@morningstar.com
+1 312 384 5442

Analyst Note 07 Aug 2018

Tesla CEO Elon Musk tweeted around midday on Aug. 7 the following: "Am considering taking Tesla private at \$420. Funding Secured." A buyout price of \$420 per share would be for about \$71.6 billion based on the July 27 outstanding share count of 170.6 million in the latest 10-Q filing, though it's unclear if Musk's roughly 22% ownership stake would be part of the deal or just converted into equity of a new private company. If a deal is announced and we think its execution is more likely than not, we will raise our fair value estimate to the deal price, but for now we are leaving our fair value estimate of \$179 in place.

Important Disclosure

The conduct of Morningstar's analysts is governed by Code of Ethics/Code of Conduct Policy, Personal Security Trading Policy (or an equivalent of), and Investment Research Policy. For information regarding conflicts of interest, visit <http://global.morningstar.com/equitydisclosures>

The primary analyst covering this company does not own its stock.

Research as of 07 Aug 2018
Estimates as of 01 Aug 2018
Pricing data through 06 Aug 2018 00:00
Rating updated as of 06 Aug 2018 00:00

Currency amounts expressed with "\$" are in U.S. dollars (USD) unless otherwise denoted.

Contents

Analyst Note	1
Morningstar Analyst Forecasts	3
Methodology for Valuing Companies	7

We find it odd that Musk would disclose that he is considering doing a deal and specifying a price rather than not saying anything until Tesla actually announces it is going private. It is possible that he wants to hurt short sellers of Tesla now. He has been very vocal against them recently, including posting a satire video on Twitter on Aug. 5. We think it is also possible that he wants to get a price higher than \$420, else we would expect him to simply announce he is considering going private with funding secured and leave the \$420 number out of the tweet. We speculate that the funding comes mostly from tech investors, such as possibly SoftBank or Tencent (the latter bought 5% of Tesla in 2017), sovereign wealth funds, and wealthy Silicon Valley investors.

We understand why Musk would want to go private. Rolling Stone in November quoted him saying, "I wish we could be private with Tesla. It actually makes us less efficient to be a public company." Tesla is still in its early stages of growth, and we think Musk would prefer to grow the company without having to check in with Wall Street every quarter. He probably instead wants investors who are there for the long run. An Aug. 7 Musk tweet said he would create a special-purpose fund allowing any Tesla investor to remain

Vital Statistics

Market Cap (USD Mil)	58,068
52-Week High (USD)	389.61
52-Week Low (USD)	244.59
52-Week Total Return %	-4.2
YTD Total Return %	9.8
Last Fiscal Year End	31 Dec 2017
5-Yr Forward Revenue CAGR %	33.0
5-Yr Forward EPS CAGR %	—
Price/Fair Value	1.91

Valuation Summary and Forecasts

	Fiscal Year:	2016	2017	2018(E)	2019(E)
Price/Earnings		NM	NM	NM	95.0
EV/EBITDA		115.2	—	136.2	24.3
EV/EBIT		NM	—	NM	NM
Free Cash Flow Yield %		-1.8	—	-3.2	0.0
Dividend Yield %		—	—	—	—

Financial Summary and Forecasts (USD Mil)

	Fiscal Year:	2016	2017	2018(E)	2019(E)
Revenue		7,000	11,759	21,009	28,775
Revenue YoY %		73.0	68.0	78.7	37.0
EBIT		-652	-1,632	-1,405	-150
EBIT YoY %		-9.1	150.5	-13.9	-89.3
Net Income, Adjusted		-414	-1,436	-797	646
Net Income YoY %		-40.1	247.0	-44.5	-181.1
Diluted EPS		-2.87	-8.66	-4.69	3.60
Diluted EPS YoY %		-46.8	201.9	-45.9	-176.7
Free Cash Flow		-916	-3,697	-2,041	-603
Free Cash Flow YoY %		-46.4	303.7	-44.8	-70.5

Historical/forecast data sources are Morningstar Estimates and may reflect adjustments.
Analyst Note: Operating income includes stock based comp expense but EPS excludes stock option expense.

Profile

Founded in 2003 and based in Palo Alto, California, Tesla is a vertically integrated sustainable energy company that also aims to transition the world to electric mobility by making electric vehicles. It sells solar panels and solar roofs for energy generation plus batteries for stationary storage for residential and commercial properties including utilities. The Tesla Roadster debuted in 2008, Model S in 2012, Model X in 2015, and Model 3 in 2017. Global deliveries in 2017 were 103,184 units. Tesla went public in 2010 and employs about 40,000 people.

Morningstar Equity Research



Tesla Inc TSLA (NAS) | ★

Last Price	Fair Value	Uncertainty	Economic Moat™	Moat Trend™	Stewardship	Industry Group
341.99 USD	179.00 USD	Very High	None	Positive	Standard	Autos

an owner or to sell at \$420.



Morningstar Equity Research

Tesla Inc TSLA (NASDAQ) ★

Last Price	Fair Value	Uncertainty	Economic Moat™	Moat Trend™	Stewardship	Industry Group
341.99 USD	179.00 USD	Very High	None	Positive	Standard	Autos

Morningstar Analyst Forecasts

Financial Summary and Forecasts

Fiscal Year Ends in December

		Forecast					
	3-Year Hist. CAGR	2015	2016	2017	2018	2019	5-Year Proj. CAGR
Growth (% YoY)							
Revenue	48.4	12.4	73.0	68.0	78.7	37.0	33.0
EBIT	—	589.0	-9.1	150.5	-13.9	-89.3	—
EBITDA	-68.7	-329.9	-200.5	-98.7	12,301.8	461.4	334.8
Net Income	-517.0	-3,590.1	-40.1	247.0	-44.5	-181.1	—
Diluted EPS	-496.3	-3,971.8	-46.8	201.9	-45.9	-176.7	—
Earnings Before Interest, after Tax	—	562.6	-5.1	83.8	36.1	-89.3	—
Free Cash Flow	—	58.8	-46.4	303.7	-44.8	-70.5	—
	3-Year Hist. Avg	2015	2016	2017	2018	2019	5-Year Proj. Avg
Profitability							
Operating Margin %	-13.6	-17.7	-9.3	-13.9	-6.7	-0.5	-0.1
EBITDA Margin %	-1.0	-7.3	4.2	0.0	2.3	9.5	10.5
Net Margin %	-11.7	-17.1	-5.9	-12.2	-3.8	2.3	2.6
Free Cash Flow Margin %	-28.9	-42.2	-13.1	-31.4	-9.7	-2.1	-0.8
ROIC %	-11.1	-18.4	-6.1	-8.8	-6.1	-0.1	1.7
Adjusted ROIC %	-11.1	-18.4	-6.1	-8.8	-6.1	-0.1	1.7
Return on Assets %	-8.7	-13.4	-5.0	-7.6	-5.9	-1.7	-0.8
Return on Equity %	-49.2	-78.1	-25.9	-43.6	-48.3	-15.6	-6.5
	3-Year Hist. Avg	2015	2016	2017	2018	2019	5-Year Proj. Avg
Leverage							
Debt/Capital	0.67	0.70	0.60	0.71	0.80	0.75	0.75
Total Debt/EBITDA	882.81	-9.01	24.09	2,633.36	21.65	4.59	6.60
EBITDA/Interest Expense	-0.33	-2.47	1.49	0.01	0.78	4.36	6.43

Valuation Summary and Forecasts

	2016	2017	2018(E)	2019(E)
Price/Fair Value	1.21	1.53	—	—
Price/Earnings	NM	NM	NM	95.0
EV/EBITDA	115.2	—	136.2	24.3
EV/EBIT	NM	—	NM	NM
Free Cash Flow Yield %	-1.8	—	-3.2	0.0
Dividend Yield %	—	—	—	—

Key Valuation Drivers

Cost of Equity %	11.0
Pre-Tax Cost of Debt %	8.0
Weighted Average Cost of Capital %	9.9
Long-Run Tax Rate %	20.0
Stage II EBI Growth Rate %	11.5
Stage II Investment Rate %	57.5
Perpetuity Year	11

Additional estimates and scenarios available for download at <http://select.morningstar.com>.

Discounted Cash Flow Valuation

	USD Mil	Firm Value (%)	Per Share Value
Present Value Stage I	4,363	13.4	25.66
Present Value Stage II	1,021	3.1	6.00
Present Value Stage III	27,120	83.4	159.53
Total Firm Value	32,504	100.0	191.20
Cash and Equivalents	3,368	—	19.81
Debt	-10,315	—	-60.68
Preferred Stock	—	—	—
Other Adjustments	3,082	—	18.13
Equity Value	28,638	—	168.46
Projected Diluted Shares	170		
Fair Value per Share (USD)	179.00		

The data in the table above represent base-case forecasts in the company's reporting currency as of the beginning of the current year. Our fair value estimate may differ from the equity value per share shown above due to our time value of money adjustment and in cases where probability-weighted scenario analysis is performed.



Morningstar Equity Research

Tesla Inc TSLA (NASDAQ) ★

Last Price	Fair Value	Uncertainty	Economic Moat™	Moat Trend™	Stewardship	Industry Group
341.99 USD	179.00 USD	Very High	None	Positive	Standard	Autos

Morningstar Analyst Forecasts

Income Statement (USD Mil)

Fiscal Year Ends in December

	2015	2016	2017	Forecast	
				2018	2019
Revenue	4,046	7,000	11,759	21,009	28,775
Cost of Goods Sold	3,103	5,370	9,492	16,395	21,172
Gross Profit	943	1,630	2,266	4,614	7,603
Selling, General & Administrative Expenses	833	1,267	2,271	3,015	3,725
Research & Development	629	680	1,160	2,059	2,734
Employee Compensation & Benefits	198	334	467	945	1,295
Depreciation & Amortization (if reported separately)	—	—	—	—	—
Operating Income (ex charges)	-717	-652	-1,632	-1,405	-150
Restructuring & Other Cash Charges	—	16	—	—	—
Impairment Charges (if reported separately)	—	—	—	—	—
Other Non-Cash (Income)/Charges	—	—	—	—	—
Operating Income (incl charges)	-717	-667	-1,632	-1,405	-150
Interest Expense	119	199	471	620	626
Interest Income	2	9	20	5	5
Pre-Tax Income	-834	-858	-2,084	-2,020	-771
Income Tax Expense	13	27	32	-202	-77
Other After-Tax Cash Gains (Losses)	—	—	—	—	—
Other After-Tax Non-Cash Gains (Losses)	-42	121	154	170	175
(Minority Interest)	—	—	—	—	—
(Preferred Dividends)	—	—	—	—	—
Net Income	-889	-764	-1,961	-1,648	-519
Weighted Average Diluted Shares Outstanding	128	144	166	170	180
Diluted Earnings Per Share	-6.93	-5.30	-11.83	-9.69	-2.89
Adjusted Net Income	-691	-414	-1,436	-797	646
Diluted Earnings Per Share (Adjusted)	-5.39	-2.87	-8.66	-4.69	3.60
Dividends Per Common Share	—	—	—	—	—
EBITDA	-294	280	4	486	2,727
Adjusted EBITDA	-294	296	4	486	2,727



Morningstar Equity Research

Tesla Inc TSLA (NASDAQ) ★

Last Price	Fair Value	Uncertainty	Economic Moat™	Moat Trend™	Stewardship	Industry Group
341.99 USD	179.00 USD	Very High	None	Positive	Standard	Autos

Morningstar Analyst Forecasts

Balance Sheet (USD Mil)

Fiscal Year Ends in December

	2015	2016	2017	Forecast	
				2018	2019
Cash and Equivalents	1,197	3,393	3,368	1,116	4,108
Investments	—	—	—	—	—
Accounts Receivable	169	499	515	1,151	1,577
Inventory	1,278	2,067	2,264	4,043	5,220
Deferred Tax Assets (Current)	—	—	—	—	—
Other Short Term Assets	170	568	865	865	865
Current Assets	2,814	6,528	7,012	7,175	11,770
Net Property Plant, and Equipment	3,403	11,903	16,375	16,964	18,117
Goodwill	—	—	60	120	180
Other Intangibles	13	376	362	367	372
Deferred Tax Assets (Long-Term)	—	—	—	—	—
Other Long-Term Operating Assets	1,791	3,134	4,117	1,528	1,681
Long-Term Non-Operating Assets	47	723	730	900	1,075
Total Assets	8,068	22,664	28,655	27,054	33,195
Accounts Payable	916	1,860	2,390	4,267	5,510
Short-Term Debt	628	1,150	897	1,100	1,100
Deferred Tax Liabilities (Current)	—	—	—	—	—
Other Short-Term Liabilities	1,267	2,817	4,388	4,478	5,374
Current Liabilities	2,811	5,827	7,675	9,845	11,984
Long-Term Debt	2,021	5,970	9,418	9,418	11,418
Deferred Tax Liabilities (Long-Term)	—	—	—	—	—
Other Long-Term Operating Liabilities	1,740	3,062	3,487	1,224	1,591
Long-Term Non-Operating Liabilities	365	1,891	2,443	2,443	2,443
Total Liabilities	6,937	16,750	23,023	22,930	27,436
Preferred Stock	—	—	—	—	—
Common Stock	0	0	0	0	0
Additional Paid-in Capital	3,409	7,774	9,178	9,178	11,178
Retained Earnings (Deficit)	-2,322	-2,997	-4,974	-6,622	-7,141
(Treasury Stock)	—	—	—	—	—
Other Equity	44	-15	33	33	33
Shareholder's Equity	1,131	4,762	4,237	2,589	4,070
Minority Interest	—	1,152	1,395	1,535	1,688
Total Equity	1,131	5,914	5,632	4,124	5,758

Morningstar Equity Research



Tesla Inc TSLA (NASDAQ) ★

Last Price	Fair Value	Uncertainty	Economic Moat™	Moat Trend™	Stewardship	Industry Group
341.99 USD	179.00 USD	Very High	None	Positive	Standard	Autos

Morningstar Analyst Forecasts

Cash Flow (USD Mil)

Fiscal Year Ends in December

	2015	2016	2017	Forecast	
				2018	2019
Net Income	-889	-773	-2,241	-1,648	-519
Depreciation	423	947	1,636	1,891	2,877
Amortization	—	—	—	—	—
Stock-Based Compensation	198	334	467	945	1,295
Impairment of Goodwill	—	—	—	—	—
Impairment of Other Intangibles	—	—	—	—	—
Deferred Taxes	—	—	—	—	—
Other Non-Cash Adjustments	237	62	574	-170	-175
(Increase) Decrease in Accounts Receivable	46	-217	-25	-636	-426
(Increase) Decrease in Inventory	-1,574	-2,466	-1,701	-1,779	-1,178
Change in Other Short-Term Assets	-54	7	-88	5	5
Increase (Decrease) in Accounts Payable	263	751	388	1,877	1,243
Change in Other Short-Term Liabilities	1,394	2,000	1,440	90	896
Cash From Operations	44	646	451	576	4,019
(Capital Expenditures)	-1,635	-1,281	-3,415	-2,450	-4,000
Net (Acquisitions), Asset Sales, and Disposals	-12	214	-115	-100	-100
Net Sales (Purchases) of Investments	—	17	—	—	—
Other Investing Cash Flows	-26	-366	-890	325	214
Cash From Investing	-1,674	-1,416	-4,419	-2,225	-3,886
Common Stock Issuance (or Repurchase)	750	1,702	400	—	2,000
Common Stock (Dividends)	—	—	—	—	—
Short-Term Debt Issuance (or Retirement)	—	—	—	203	—
Long-Term Debt Issuance (or Retirement)	319	2,853	7,138	—	2,000
Other Financing Cash Flows	-114	-1,580	-3,635	-806	-1,141
Cash From Financing	955	2,974	3,904	-602	2,859
Exchange Rates, Discontinued Ops, etc. (net)	-34	-7	39	—	—
Net Change in Cash	-709	2,196	-25	-2,252	2,992

Research Methodology for Valuing Companies

Overview

At the heart of our valuation system is a detailed projection of a company's future cash flows, resulting from our analysts' research. Analysts create custom industry and company assumptions to feed income statement, balance sheet, and capital investment assumptions into our globally standardized, proprietary discounted cash flow, or DCF, modeling templates. We use scenario analysis, in-depth competitive advantage analysis, and a variety of other analytical tools to augment this process. Moreover, we think analyzing valuation through discounted cash flows presents a better lens for viewing cyclical companies, high-growth firms, businesses with finite lives (e.g., mines), or companies expected to generate negative earnings over the next few years. That said, we don't dismiss multiples altogether but rather use them as supporting cross-checks for our DCF-based fair value estimates. We also acknowledge that DCF models offer their own challenges (including a potential proliferation of estimated inputs and the possibility that the method may miss short-term market-price movements), but we believe these negatives are mitigated by deep analysis and our long-term approach.

Morningstar's equity research group ("we", "our") believes that a company's intrinsic worth results from the future cash flows it can generate. The Morningstar Rating for stocks identifies stocks trading at a discount or premium to their intrinsic worth—or fair value estimate, in Morningstar terminology. Five-star stocks sell for the biggest risk-adjusted discount to their fair values, whereas 1-star stocks trade at premiums to their intrinsic worth.

Four key components drive the Morningstar rating: (1) our assessment of the firm's economic moat, (2) our estimate of the stock's fair value, (3) our uncertainty around that fair value estimate

and (4) the current market price. This process ultimately culminates in our single-point star rating.

1. Economic Moat

The concept of an economic moat plays a vital role not only in our qualitative assessment of a firm's long-term investment potential, but also in the actual calculation of our fair value estimates. An economic moat is a structural feature that allows a firm to sustain excess profits over a long period of time. We define economic profits as returns on invested capital (or ROIC) over and above our estimate of a firm's cost of capital, or weighted average cost of capital (or WACC). Without a moat, profits are more susceptible to competition. We have identified five sources of economic moats: intangible assets, switching costs, network effect, cost advantage, and efficient scale.

Companies with a narrow moat are those we believe are more likely than not to achieve normalized excess returns for at least the next 10 years. Wide-moat companies are those in which we have very high confidence that excess returns will remain for 10 years, with excess returns more likely than not to remain for at least 20 years. The longer a firm generates economic profits, the higher its intrinsic value. We believe low-quality, no-moat companies will see their normalized returns gravitate toward the firm's cost of capital more quickly than companies with moats.

To assess the sustainability of excess profits, analysts perform ongoing assessments of the moat trend. A firm's moat trend is positive in cases where we think its sources of competitive advantage are growing stronger; stable where we don't anticipate changes to competitive advantages over the next several years; or negative when we see signs of deterioration.

2. Estimated Fair Value

Combining our analysts' financial forecasts with the firm's economic moat helps us assess how long returns on invested capital are likely to exceed the firm's cost of

capital. Returns of firms with a wide economic moat rating are assumed to fade to the perpetuity period over a longer period of time than the returns of narrow-moat firms, and both will fade slower than no-moat firms, increasing our estimate of their intrinsic value.

Our model is divided into three distinct stages:

Stage I: Explicit Forecast

In this stage, which can last five to 10 years, analysts make full financial statement forecasts, including items such as revenue, profit margins, tax rates, changes in working-capital accounts, and capital spending. Based on these projections, we calculate earnings before interest, after taxes (EBI) and the net new investment (NNI) to derive our annual free cash flow forecast.

Stage II: Fade

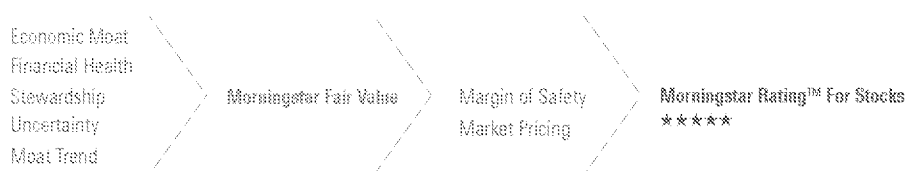
The second stage of our model is the period it will take the company's return on new invested capital—the return on capital of the next dollar invested ("RONIC")—to decline (or rise) to its cost of capital. During the Stage II period, we use a formula to approximate cash flows in lieu of explicitly modeling the income statement, balance sheet, and cash flow statement as we do in Stage I. The length of the second stage depends on the strength of the company's economic moat. We forecast this period to last anywhere from one year (for companies with no economic moat) to 10–15 years or more (for wide-moat companies). During this period, cash flows are forecast using four assumptions: an average growth rate for EBI over the period, a normalized investment rate, average return on new invested capital (RONIC), and the number of years until perpetuity, when excess returns cease. The investment rate and return on new invested capital decline until a perpetuity value is calculated. In the case of firms that do not earn their cost of capital, we assume marginal ROICs rise to the firm's cost of capital (usually attributable to less reinvestment), and we may truncate the second stage.

Stage III: Perpetuity

Once a company's marginal ROIC hits its cost of capital, we calculate a continuing value, using a standard perpetuity formula. At perpetuity, we assume that any growth or decline or investment in the business neither creates nor destroys value and that any new investment provides a return in line with estimated WACC.

Because a dollar earned today is worth more than a dollar earned tomorrow, we discount our projections of cash flows in stages I, II, and III to arrive at a total pres-

Morningstar Research Methodology for Valuing Companies



Research Methodology for Valuing Companies

ent value of expected future cash flows. Because we are modeling free cash flow to the firm—representing cash available to provide a return to all capital providers—we discount future cash flows using the WACC, which is a weighted average of the costs of equity, debt, and preferred stock (and any other funding sources), using expected future proportionate long-term, market-value weights.

3. Uncertainty around that fair value estimate

Morningstar's Uncertainty Rating captures a range of likely potential intrinsic values for a company and uses it to assign the margin of safety required before investing, which in turn explicitly drives our stock star rating system. The Uncertainty Rating represents the analysts' ability to bound the estimated value of the shares in a company around the Fair Value Estimate, based on the characteristics of the business underlying the stock, including operating and financial leverage, sales sensitivity to the overall economy, product concentration, pricing power, and other company-specific factors.

Analysts consider at least two scenarios in addition to their base case: a bull case and a bear case. Assumptions are chosen such that the analyst believes there is a 25% probability that the company will perform better than the bull case, and a 25% probability that the company will perform worse than the bear case. The distance between the bull and bear cases is an important indicator of the uncertainty underlying the fair value estimate.

Our recommended margin of safety widens as our uncertainty of the estimated value of the equity increases. The more uncertain we are about the estimated value of the equity, the greater the discount we require relative to our estimate of the value of the firm before we would recommend the purchase of the shares. In addition, the uncertainty rating provides guidance in portfolio construction based on risk tolerance.

Our uncertainty ratings for our qualitative analysis are low, medium, high, very high, and extreme.

► **Low:** margin of safety for 5-star rating is a 20% discount and for 1-star rating is 25% premium.

- **Medium:** margin of safety for 5-star rating is a 30% discount and for 1-star rating is 35% premium.
- **High:** margin of safety for 5-star rating is a 40% discount and for 1-star rating is 55% premium.
- **Very High:** margin of safety for 5-star rating is a 50% discount and for 1-star rating is 75% premium.
- **Extreme:** Stock's uncertainty exceeds the parameters we have set for assigning the appropriate margin of safety.

4. Market Price

The market prices used in this analysis and noted in the report come from exchange on which the stock is listed which we believe is a reliable source.

For more detail information about our methodology, please go to <http://global.morningstar.com/equitydisclosures>

Morningstar Star Rating for Stocks

Once we determine the fair value estimate of a stock, we compare it with the stock's current market price on a daily basis, and the star rating is automatically recalculated at the market close on every day the market on which the stock is listed is open. Our analysts keep close tabs on the companies they follow, and, based on thorough and ongoing analysis, raise or lower their fair value estimates as warranted.

Please note, there is no predefined distribution of stars. That is, the percentage of stocks that earn 5 stars can fluctuate daily, so the star ratings, in the aggregate, can serve as a gauge of the broader market's valuation. When there are many 5-star stocks, the stock market as

a whole is more undervalued, in our opinion, than when very few companies garner our highest rating.

We expect that if our base-case assumptions are true the market price will converge on our fair value estimate over time, generally within three years (although it is impossible to predict the exact time frame in which market prices may adjust).

Our star ratings are guideposts to a broad audience and individuals must consider their own specific investment goals, risk tolerance, tax situation, time horizon, income needs, and complete investment portfolio, among other factors.

The Morningstar Star Ratings for stocks are defined below:

Five Stars ★★★★★

We believe appreciation beyond a fair risk-adjusted return is highly likely over a multiyear time frame. Scenario analysis developed by our analysts indicates that the current market price represents an excessively pessimistic outlook, limiting downside risk and maximizing upside potential.

Four Stars ★★★★

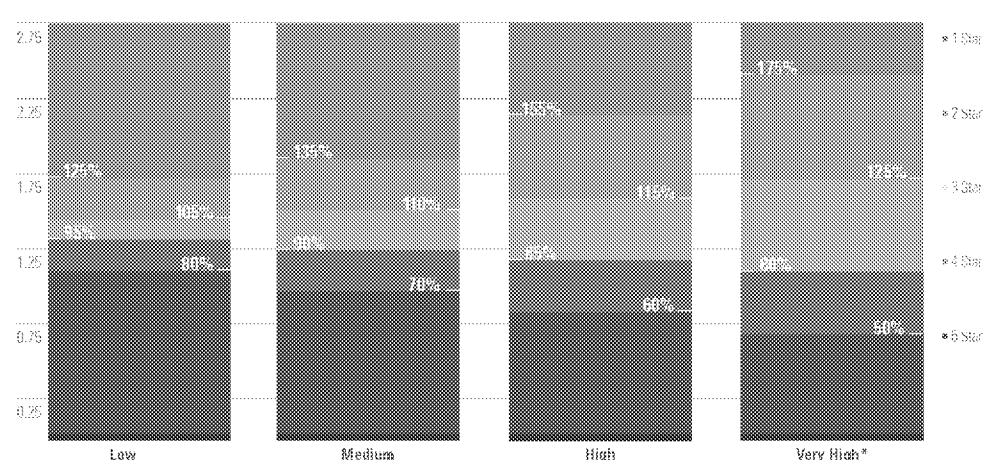
We believe appreciation beyond a fair risk-adjusted return is likely.

Three Stars ★★★

Indicates our belief that investors are likely to receive a fair risk-adjusted return (approximately cost of equity).

Morningstar Research Methodology for Valuing Companies

Price/Fair Value



* Occasionally a stock's uncertainty will be too high for us to estimate, in which case we label it Extreme.

Research Methodology for Valuing Companies

Two Stars ★★

We believe investors are likely to receive a less than fair risk-adjusted return.

One Star ★

Indicates a high probability of undesirable risk-adjusted returns from the current market price over a multiyear time frame, based on our analysis. Scenario analysis by our analysts indicates that the market is pricing in an excessively optimistic outlook, limiting upside potential and leaving the investor exposed to Capital loss.

Other Definitions:

Last Price: Price of the stock as of the close of the market of the last trading day before date of the report.

Stewardship Rating: Represents our assessment of management's stewardship of shareholder capital, with particular emphasis on capital allocation decisions. Analysts consider companies' investment strategy and valuation, financial leverage, dividend and share buyback policies, execution, compensation, related party transactions, and accounting practices. Corporate governance practices are only considered if they've had a demonstrated impact on shareholder value. Analysts assign one of three ratings: "Exemplary," "Standard," and "Poor." Analysts judge stewardship from an equity holder's perspective. Ratings are determined on an absolute basis. Most companies will receive a Standard rating, and this is the default rating in the absence of evidence that managers have made exceptionally strong or poor capital allocation decisions.

Quantitative Valuation: Using the below terms, intended to denote the relationship between the security's Last Price and Morningstar's quantitative fair value estimate for that security.

- **Undervalued:** Last Price is below Morningstar's quantitative fair value estimate.
- **Fairly Valued:** Last Price is in line with Morningstar's quantitative fair value estimate.
- **Overvalued:** Last Price is above Morningstar's quantitative fair value estimate.

Risk Warning

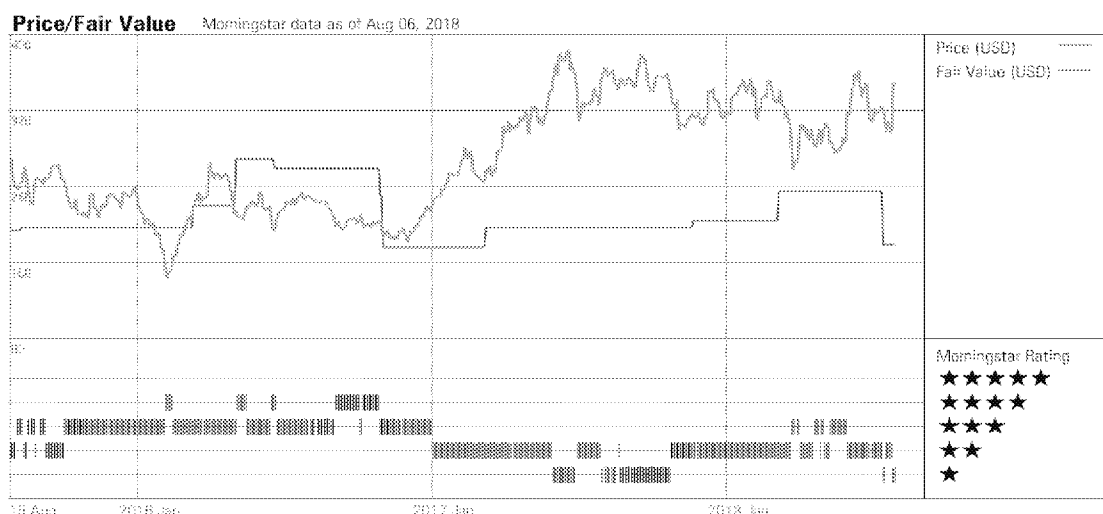
Please note that investments in securities are subject to market and other risks and there is no assurance or guarantee that the intended investment objectives will be achieved. Past performance of a security may or may not be sustained in future and is no indication of future performance. A security investment return and an investor's principal value will fluctuate so that, when redeemed, an investor's shares may be worth more or less than their original cost. A security's current investment performance may be lower or higher than the investment performance noted within the report. Morningstar's Uncertainty Rating serves as a useful data point with respect to sensitivity analysis of the assumptions used in our determining a fair value price.

Morningstar Equity Research



Tesla Inc TSLA (NASDAQ) ★

Last Price	Fair Value	Uncertainty	Economic Moat™	Moat Trend™	Stewardship	Industry Group
341.99 USD	179.00 USD	Very High	None	Positive	Standard	Autos



General Disclosure

The analysis within this report is prepared by the person(s) noted in their capacity as an analyst for Morningstar's equity research group. The equity research group consists of various Morningstar, Inc. subsidiaries ("Equity Research Group"). In the United States, that subsidiary is Morningstar Research Services LLC, which is registered with and governed by the U.S. Securities and Exchange Commission.

The opinions expressed within the report are given in good faith, are as of the date of the report and are subject to change without notice. Neither the analyst nor Equity Research Group commits themselves in advance to whether and in which intervals updates to the report are expected to be made. The written analysis and Morningstar Star Rating for stocks are statements of opinions; they are not statements of fact.

The Equity Research Group believes its analysts make a reasonable effort to carefully research information contained in the analysis. The information on which the analysis is based has been obtained from sources believed to be reliable such as, for example, the company's financial statements filed with a regulator, company website, Bloomberg and any other the relevant press sources. Only the information obtained from such sources is made

available to the issuer who is the subject of the analysis, which is necessary to properly reconcile with the facts. Should this sharing of information result in considerable changes, a statement of that fact will be noted within the report. While the Equity Research Group has obtained data, statistics and information from sources it believes to be reliable, neither the Equity Research Group nor Morningstar, Inc. performs an audit or seeks independent verification of any of the data, statistics, and information it receives.

Unless otherwise provided in a separate agreement, recipients accessing this report may only use it in the country in which the Morningstar distributor is based. Unless stated otherwise, the original distributor of the report is Morningstar Research Services LLC, a U.S.A. domiciled financial institution.

This report is for informational purposes only and has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient. This publication is intended to provide information to assist institutional investors in making their own investment decisions, not to provide investment advice to any specific investor. Therefore, investments discussed and recommendations made herein may not be suitable for all investors: recipients must exercise their own independent judgment as to the

Tesla Inc TSLA (NASDAQ) ★

Last Price	Fair Value	Uncertainty	Economic Moat™	Moat Trend™	Stewardship	Industry Group
341.99 USD	179.00 USD	Very High	None	Positive	Standard	Autos

suitability of such investments and recommendations in the light of their own investment objectives, experience, taxation status and financial position.

The information, data, analyses and opinions presented herein are not warranted to be accurate, correct, complete or timely. Unless otherwise provided in a separate agreement, neither Morningstar, Inc. or the Equity Research Group represents that the report contents meet all of the presentation and/or disclosure standards applicable in the jurisdiction the recipient is located.

Except as otherwise required by law or provided for in a separate agreement, the analyst, Morningstar, Inc. and the Equity Research Group and their officers, directors and employees shall not be responsible or liable for any trading decisions, damages or other losses resulting from, or related to, the information, data, analyses or opinions within the report. The Equity Research Group encourages recipients of this report to read all relevant issue documents (e.g., prospectus) pertaining to the security concerned, including without limitation, information relevant to its investment objectives, risks, and costs before making an investment decision and when deemed necessary, to seek the advice of a legal, tax, and/or accounting professional.

The Report and its contents are not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject Morningstar, Inc. or its affiliates to any registration or licensing requirements in such jurisdiction.

Where this report is made available in a language other than English and in the case of inconsistencies between the English and translated versions of the report, the English version will control and supersede any ambiguities associated with any part or section of a report that has been

issued in a foreign language. Neither the analyst, Morningstar, Inc., or the Equity Research Group guarantees the accuracy of the translations.

This report may be distributed in certain localities, countries and/or jurisdictions ("Territories") by independent third parties or independent intermediaries and/or distributors ("Distributors"). Such Distributors are not acting as agents or representatives of the analyst, Morningstar, Inc. or the Equity Research Group. In Territories where a Distributor distributes our report, the Distributor is solely responsible for complying with all applicable regulations, laws, rules, circulars, codes and guidelines established by local and/or regional regulatory bodies, including laws in connection with the distribution third-party research reports.

Conflicts of Interest:

- No interests are held by the analyst with respect to the security subject of this investment research report. — Morningstar, Inc. may hold a long position in the security subject of this investment research report that exceeds 0.5% of the total issued share capital of the security. To determine if such is the case, please click <http://msi.morningstar.com> and <http://mdi.morningstar.com>. • Analysts' compensation is derived from Morningstar, Inc.'s overall earnings and consists of salary, bonus and in some cases restricted stock.
- Neither Morningstar, Inc. or the Equity Research Group receives commissions for providing research nor do they charge companies to be rated.
- Neither Morningstar, Inc. or the Equity Research Group is a market maker or a liquidity provider of the security noted within this report.
- Neither Morningstar, Inc. or the Equity Research Group has been a lead manager or co-lead manager over the

Tesla Inc TSLA (NASDAQ) ★

Last Price	Fair Value	Uncertainty	Economic Moat™	Moat Trend™	Stewardship	Industry Group
341.99 USD	179.00 USD	Very High	None	Positive	Standard	Autos

previous 12-months of any publicly disclosed offer of financial instruments of the issuer.

- Morningstar, Inc.'s investment management group does have arrangements with financial institutions to provide portfolio management/investment advice some of which an analyst may issue investment research reports on. However, analysts do not have authority over Morningstar's investment management group's business arrangements nor allow employees from the investment management group to participate or influence the analysis or opinion prepared by them.

- Morningstar, Inc. is a publicly traded company (Ticker Symbol: MORN) and thus a financial institution the security of which is the subject of this report may own more than 5% of Morningstar, Inc.'s total outstanding shares. Please access Morningstar, Inc.'s proxy statement, "Security Ownership of Certain Beneficial Owners and Management" section <https://shareholders.morningstar.com/investor-relations/financials/sec-filings/default.aspx>

- Morningstar, Inc. may provide the product issuer or its related entities with services or products for a fee and on an arms' length basis including software products and licenses, research and consulting services, data services, licenses to republish our ratings and research in their promotional material, event sponsorship and website advertising.

Further information on Morningstar, Inc.'s conflict of interest policies is available from <http://global.morningstar.com/equitydisclosures>. Also, please note analysts are subject to the CFA Institute's Code of Ethics and Standards of Professional Conduct.

For a list of securities which the Equity Research Group currently covers and provides written analysis on please contact your local Morningstar office. In addition, for

historical analysis of securities covered, including their fair value estimate, please contact your local office.

For Recipients in Australia: This Report has been issued and distributed in Australia by Morningstar Australasia Pty Ltd (ABN: 95 090 665 544; ASFL: 240892). Morningstar Australasia Pty Ltd is the provider of the general advice ('the Service') and takes responsibility for the production of this report. The Service is provided through the research of investment products. To the extent the Report contains general advice it has been prepared without reference to an investor's objectives, financial situation or needs. Investors should consider the advice in light of these matters and, if applicable, the relevant Product Disclosure Statement before making any decision to invest. Refer to our Financial Services Guide (FSG) for more information at <http://www.morningstar.com.au/fsg.pdf>.

For Recipients in Hong Kong: The Report is distributed by Morningstar Investment Management Asia Limited, which is regulated by the Hong Kong Securities and Futures Commission to provide services to professional investors only. Neither Morningstar Investment Management Asia Limited, nor its representatives, are acting or will be deemed to be acting as an investment advisor to any recipients of this information unless expressly agreed to by Morningstar Investment Management Asia Limited. For enquiries regarding this research, please contact a Morningstar Investment Management Asia Limited Licensed Representative at <http://global.morningstar.com/equitydisclosures>.

For Recipients in India: This Investment Research is issued by Morningstar Investment Adviser India Private Limited. Morningstar Investment Adviser India Private Limited is registered with the Securities and Exchange Board of India (Registration number INA000001357) and provides investment advice and research. Morningstar Investment Adviser India Private Limited has not been the subject of any disciplinary action by SEBI or any other legal/regulatory

Tesla Inc TSLA (NASDAQ) ★

Last Price	Fair Value	Uncertainty	Economic Moat™	Moat Trend™	Stewardship	Industry Group
341.99 USD	179.00 USD	Very High	None	Positive	Standard	Autos

body. Morningstar Investment Adviser India Private Limited is a wholly owned subsidiary of Morningstar Investment Management LLC. In India, Morningstar Investment Adviser India Private Limited has one associate, Morningstar India Private Limited, which provides data related services, financial data analysis and software development.

The Research Analyst has not served as an officer, director or employee of the fund company within the last 12 months, nor has it or its associates engaged in market making activity for the fund company.

*The Conflicts of Interest disclosure above also applies to relatives and associates of Manager Research Analysts in India # The Conflicts of Interest disclosure above also applies to associates of Manager Research Analysts in India. The terms and conditions on which Morningstar Investment Adviser India Private Limited offers Investment Research to clients, varies from client to client, and are detailed in the respective client agreement.

For recipients in Japan: The Report is distributed by Ibbotson Associates Japan, Inc., which is regulated by Financial Services Agency. Neither Ibbotson Associates Japan, Inc., nor its representatives, are acting or will be deemed to be acting as an investment advisor to any recipients of this information.

For recipients in Singapore: This Report is distributed by Morningstar Investment Adviser Singapore Pte Limited, which is licensed by the Monetary Authority of Singapore to provide financial advisory services in Singapore. Investors should consult a financial adviser regarding the suitability of any investment product, taking into account their specific investment objectives, financial situation or particular needs, before making any investment decisions.